



# GLADSTONE REGIONAL COUNCIL

## **GENERAL MEETING NOTICE AND AGENDA**

**TO BE HELD AT THE GLADSTONE ENTERTAINMENT CONVENTION CENTRE,  
56 GOONDOON STREET, GLADSTONE**

**On Tuesday 20 July 2021**

**Commencing at 9.00am**

**Notice Section 277E *Local Government Regulation 2012*: This meeting will be closed to the public, due to health and safety reasons associated with the public health emergency involving COVID-19. Live streaming will be available on Council's website.**

**Leisa Dowling  
CHIEF EXECUTIVE OFFICER**

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## **G/1. MAYORAL STATEMENT OF CURRENT ISSUES**

## **G/2. CONFIRMATION OF MINUTES**

### **G/2.1. CONFIRMATION OF GENERAL MEETING MINUTES FOR 6 JULY 2021**

**Responsible Officer:** Chief Executive Officer

**Council Meeting Date:** 20 July 2021

**File Ref:** CM7.2

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#### **Purpose:**

Confirmation of the minutes of the General Meeting held on 6 July 2021.

#### **Officer's Recommendation:**

That the minutes of the General Meeting of Council held on 6 July 2021 be confirmed.

#### **Attachments:**

1. Minutes of the General Meeting of Council held on 6 July 2021.

#### **Tabled Items:**

Nil.

**Report Prepared by:** Executive Secretary

## **G/3. OFFICERS' REPORTS**

### **G/3.1. MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING 28 JUNE 2021**

**Responsible Officer:** General Manager Finance Governance and Risk

**Council Meeting Date:** 20 July 2021

**File Ref:** FM15.1

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#### **Purpose:**

This report seeks Council adoption of the Monthly Financial Statements for the 2020-21 year to date, for the period ended 28 June 2021.

#### **Officer's Recommendation:**

That Council adopt the Monthly Financial Statements attached to the officer's report for the 2020-21 year to date, for the period ended 28 June 2021 as required under Section 204 *Local Government Regulation 2012*.

#### **Background:**

The percentage of year passed (pro-rata rate) as at 28 June 2021 is 99.73%.

This report has been prepared prior to the completion of the 2020-21 financial year. Significant estimates have been accrued for both operating and capital expenditure, but the formal accrual process (undertaken during July) is expected to capture additional invoices that may aggregate to a material amount. A similar process is also undertaken to accrue income relating to June.

The impacts of the QTC loan refinancing arrangement will be confirmed in early July and adjusted to the 2020-21 financial year.

End of year accounting adjustments will also be undertaken, with the final position expected to be available by mid-October, following the external audit process. As such, this report should be considered as a progress report, and not a closing position for the 2020-21 financial year.

#### **Budget & Budget Amendment**

The 2020-21 budget was adopted on 7 July 2020.

The actual results for the year to date are compared to the budget amendment position established following the results of the first 6 months.

The budget amendment indicates a deficit of \$26.9m comprised of a deficit of \$5.4m relating to ordinary operations and \$21.5m relating to the early repayment adjustment resulting from Queensland Treasury Corporation loan restructuring. This restructure adjustment charge represents a timing variance locking in current low interest rates providing future cashflow benefits.

## Statement of Income and Expenditure

### Income

#### Recurrent Revenue

<b>Total recurrent revenue</b>	2020-21	Actual as %
Actual	<b>\$183.2m</b>	
Budget	<b>\$189.3m</b>	<b>96.78%</b>
Budget Amendment	<b>\$193.3m</b>	<b>94.76%</b>

Items of interest:

<b>Net rates and utility charges</b>	2020-21	Actual as %
Actual	<b>\$143.4m</b>	
Budget	<b>\$152.1m</b>	<b>94.28%</b>
Budget Amendment	<b>\$154.3m</b>	<b>92.93%</b>

Water consumption for the period January – June 2021 will be accrued upon completion of the water meter reading cycle currently underway.

#### Capital Revenue

<b>Total capital revenue</b>	2020-21	Actual as %
Actual	<b>\$18.0m</b>	
Budget	<b>\$27.3m</b>	<b>66.03%</b>
Budget Amendment	<b>\$24.1m</b>	<b>74.69%</b>

The budget amendment figure consists primarily of State and Federal Government funding. In line with the revenue requirements introduced during the 2019-20-year, revenue will be analysed and, in some cases, deferred or brought forward to align with expenditure for specific projects. This process will be undertaken following the expenditure accrual process in July.

Other capital grants, subsidies, contributions and donations relate primarily to the Philip Street Communities Precinct project. Invoices totaling \$2.6m have been raised to The Salvation Army, for contributions to the project. These invoices are yet to be paid.

## Expenditure

### Recurrent expenditure

<b>Total recurrent expenditure</b>	2020-21	Actual as %
Actual	<b>\$198.9m</b>	
Budget	<b>\$193.7m</b>	<b>102.72%</b>
Budget Amendment	<b>\$220.3m</b>	<b>90.30%</b>

Of note:

<b>Employee benefits</b>	2020-21	Actual as %
Actual	<b>\$67.6m</b>	
Budget	<b>\$61.7m</b>	<b>109.65%</b>
Budget Amendment	<b>\$65.9m</b>	<b>102.60%</b>

Employee benefits are the largest component of Councils recurrent expenditure.

The increase in budget amendment expenditure is primarily due to a year-to-date average vacancy rate of 5.5% within Council compared to the budgeted vacancy rate of 7.5% based on historical trend.

Wages of \$0.6m have been identified as capital expenditure and will be reallocated as part of year-end processes. The remaining variance of \$1.0m is offset by savings in materials and services accounts, including contractors and consultants.

<b>Contractors and consultants</b>	2020-21	Actual as %
Actual	<b>\$23.7m</b>	
Budget	<b>\$25.0m</b>	<b>94.60%</b>
Budget Amendment	<b>\$24.8m</b>	<b>95.37%</b>

Savings in this category are spread across the business, with multiple areas utilising external labour and expertise.

<b>Donations</b>	2020-21	Actual as %
Actual	<b>\$2.5m</b>	
Budget	<b>\$3.3m</b>	<b>74.15%</b>
Budget Amendment	<b>\$3.1m</b>	<b>79.85%</b>

Insufficient applications within specific donation categories resulted in underutilisation of allocated funds.

<b>Equipment &amp; Software</b>	2020-21	Actual as %
Actual	<b>\$5.7m</b>	
Budget	<b>\$4.7m</b>	<b>123.10%</b>
Budget Amendment	<b>\$5.1m</b>	<b>111.42%</b>

Spending exceeded forecast in the area of external plant hire most notably in road maintenance.

<b>Utility expenses</b>	2020-21	Actual as %
Actual	<b>\$4.1m</b>	
Budget	<b>\$4.5m</b>	<b>92.57%</b>
Budget Amendment	<b>\$3.9m</b>	<b>106.02%</b>

An unforeseen adjustment payment of \$0.3m was incurred in June for electricity supply to the Gladstone Sewerage Treatment Plant, resulting from a meter alteration in April 2019.

<b>Finance costs (total)</b>	2020-21	Actual as %
Actual	<b>\$4.3m</b>	
Budget	<b>\$4.3m</b>	<b>100.56%</b>
Budget Amendment	<b>\$25.8m</b>	<b>16.79%</b>

The budget amendment for finance costs includes the early repayment adjustment, which is expected to be realised on 30 June 2021. QTC will make this information available in early July.

### Statement of Financial Position

	<b>Current Value</b>	<b>Budget</b>	<b>Budget Amendment</b>	<b>Percentage of Budget</b>	<b>Percentage of Budget Amendment</b>
Year to date Assets	<b>\$2.5b</b>	<b>\$2.3b</b>	<b>\$2.5b</b>	<b>108.79%</b>	<b>98.22%</b>
Year to date Liabilities	<b>\$135.0m</b>	<b>\$123.3m</b>	<b>\$136.3m</b>	<b>109.49%</b>	<b>99.04%</b>

Accruals and year-end adjustments will affect the balances of assets and liabilities.



## Capital Expenditure

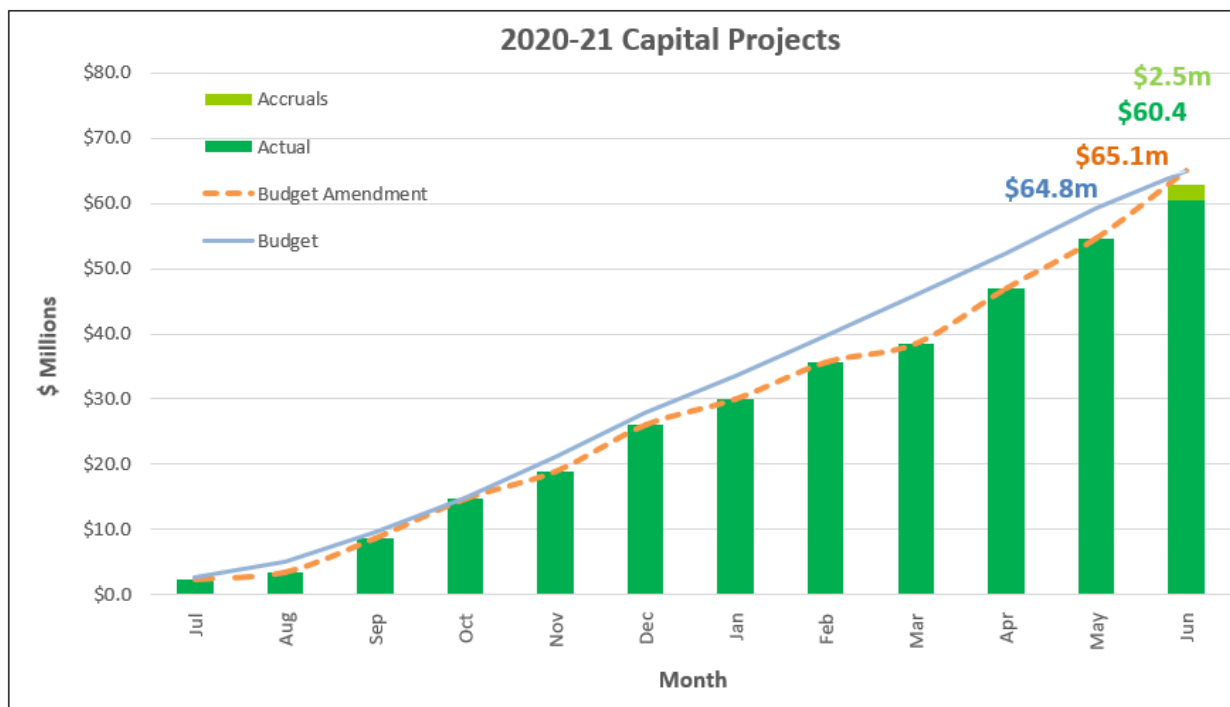
	Actual	Budget	Budget Amendment	Actual as % of Budget	Actual as % of Budget Amendment
Year to date capital expenditure	\$62.9m	\$64.8m	\$65.1m	97.01%	96.59%

Commitments have not been included in the June report due to proximity to end of financial year. Purchase order open commitments at this point in time may not be reflective of actual invoiced commitments at 30 June. Capital expenditure will be finalised after all accruals are processed in July.

Accrual estimates of \$2.5m have been included in the actuals, to account for major claims relating to June work as at 28 June 2021. Additional accruals are still expected.

Capital expenditure against groups with significant capital expenditure budgets is shown in the table below:

Group	YTD Actual	Budget	Actual as % of Budget	Budget Amendment	Actual as % of Budget Amendment
Road Assets	\$13.7m	\$16.9m	81%	\$14.2m	97%
Sewerage Assets	\$12.0m	\$11.7m	103%	\$12.7m	95%
Strategy & Transformation	\$12.8m	\$12.8m	100%	\$12.4m	104%
Water Assets	\$5.9m	\$6.2m	96%	\$6.6m	90%
Delivery Support and Performance	\$6.6m	\$5.1m	130%	\$7.6m	87%
Waste Assets	\$4.3m	\$4.4m	99%	\$4.5m	96%
Property Assets	\$4.8m	\$4.6m	105%	\$4.3m	112%
Parks & Environment Assets	\$1.3m	\$1.9m	69%	\$1.7m	75%
Community Development & Events	\$0.5m	\$0.5m	100%	\$0.3m	161%
Other	\$0.8m	\$0.8m	102%	\$0.8m	99%
<b>Total</b>	<b>\$62.9m</b>	<b>\$64.8m</b>	<b>97%</b>	<b>\$65.1m</b>	<b>97%</b>



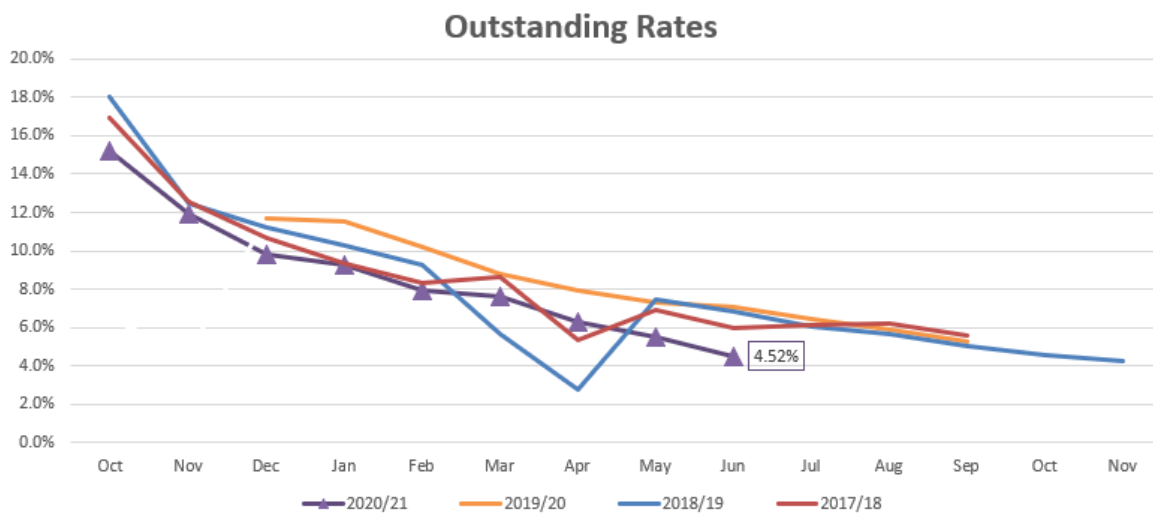
## Outstanding Rates

Outstanding rates, as a percentage of gross rates levied for 2020-21, and collectible, is at 4.52% at the end of June 2021, compared to 7.04% for the same period last year.

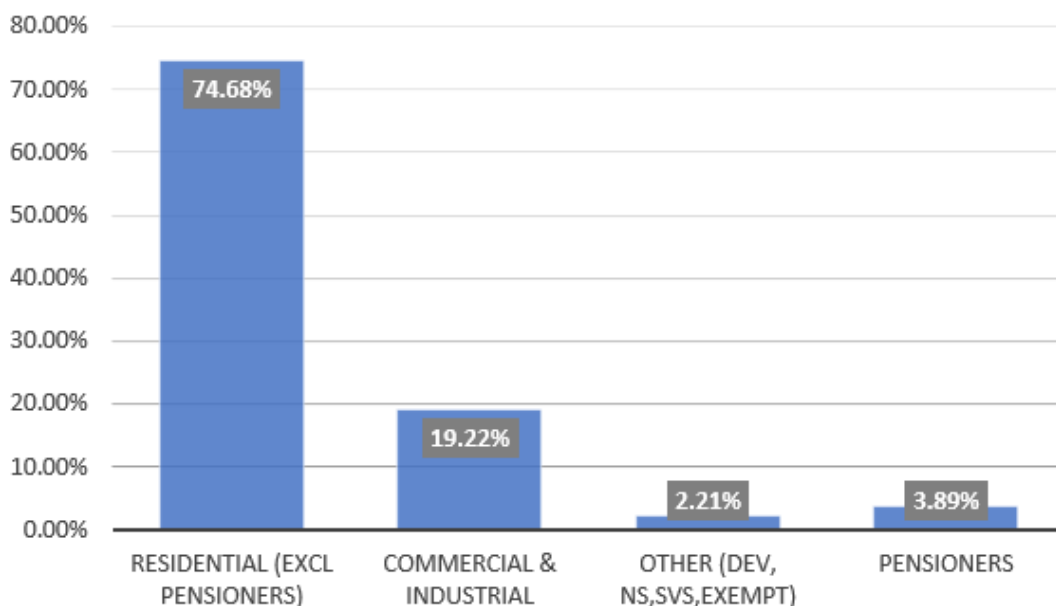
Of the \$8.4m of outstanding rates 19.22% relates to commercial / industrial assessments and 80.78% represents residential assessments.

These figures include \$1.7m of rates that are currently being repaid under an authorised payment plan, for which there were 31 commercial/industrial assessments and 1,075 residential assessments. A total of 1,106 assessments, which is a decrease from 1,138 assessments in May 2021. This movement is a result of removal of arrangements on sold property, default arrangements and paid-up arrangements.

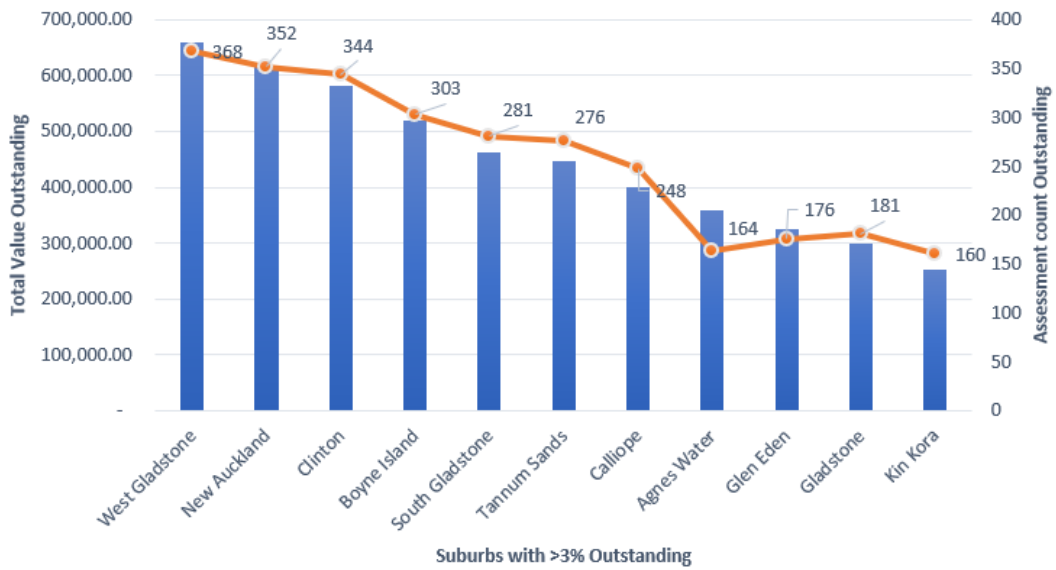
There were 5,871 ratepayers who had paid their rates in advance, in the amount of \$10.2m.



## Outstanding Rates & Charges at 28/06/2021



## Residential Rates & Charges Outstanding > 3% per Suburb



## Sustainability Ratios

Financial ratios provide a useful snapshot of Council's financial status and emerging trends. Individual ratios do not provide enough information to form a comprehensive opinion of Council's financial position and performance, but when the right mix of ratios are considered together, they become a valuable tool in analysing Council's overall financial performance.

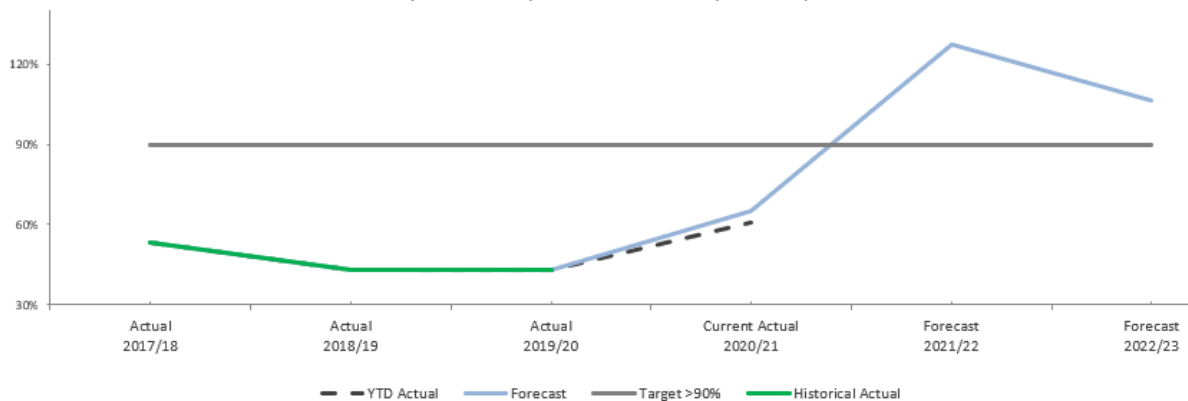
### Asset Sustainability Ratio

This ratio compares Council's expenditure on capital renewal assets with the rate at which our assets are depreciating. As Council invests in the renewal of its asset base on a rolling cycle, the expected results can vary from year to year. The results for a single year are dependent on the delivery of renewal projects in the capital program. Renewals have accounted for 41.29% of capital expenditure with the balance on new and upgrade projects. The improvement on last year's result is a positive trend that is expected to continue into 2021-22.

Asset Sustainability Ratio				
CURRENT YTD	PRIOR YTD	BUDGET	BUDGET AMENDMENT	TARGET
60.53%	44.93%	57.90%	64.82%	>90%

## Asset Sustainability Ratio

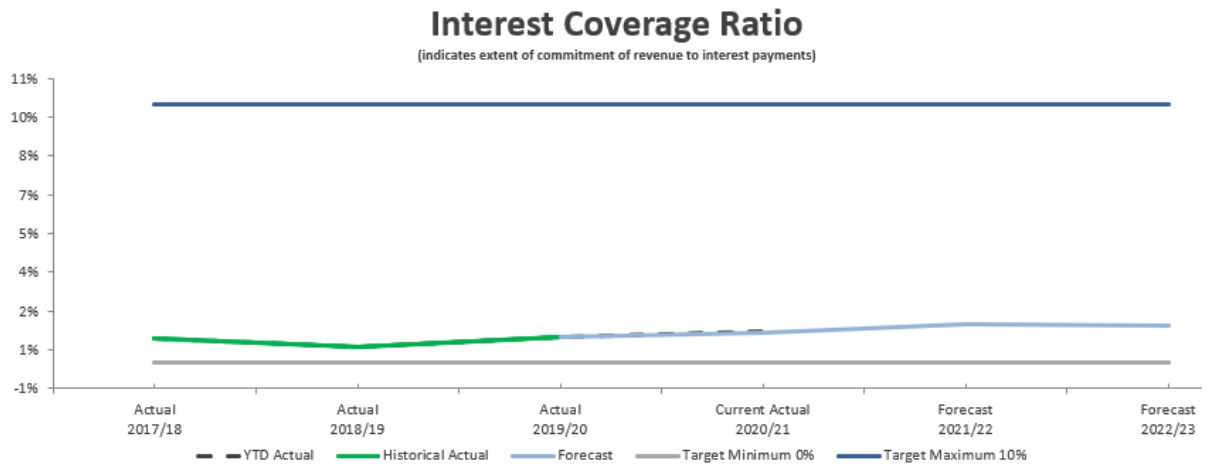
(indicates rate of replacement/renewal vs consumption of assets)



## Interest Coverage Ratio

This ratio indicates the percentage of operating revenue required to cover net interest costs. The ratio is higher in comparison to this time last year due to a reduction in interest revenue following a drop in interest rates available to Council.

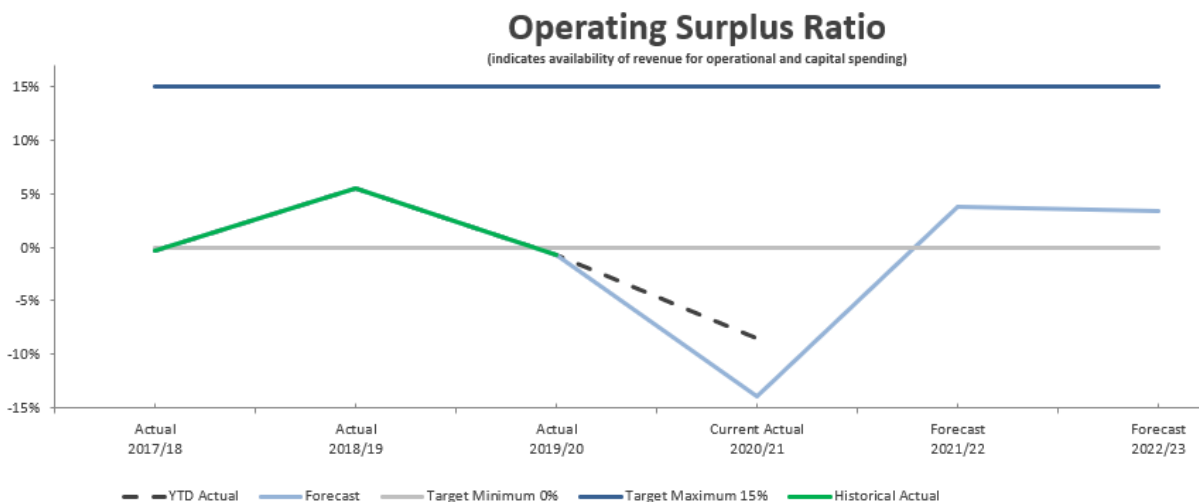
<b>Interest Coverage Ratio</b>				
<b>CURRENT YTD</b>	<b>PRIOR YTD</b>	<b>BUDGET</b>	<b>BUDGET AMENDMENT</b>	<b>TARGET</b>
<b>1.32%</b>	<b>1.10%</b>	<b>0.69%</b>	<b>1.17%</b>	<b>0 - 10%</b>



## Operating Surplus Ratio

A positive result for this ratio indicates that operating revenue can be used to fund capital expenditure, on top of the operational costs of Council. The results are difficult to compare between years, as operating accruals have been taken up in the 2020-21 year, but not the prior. The budget amendment is impacted by the QTC loan restructure.

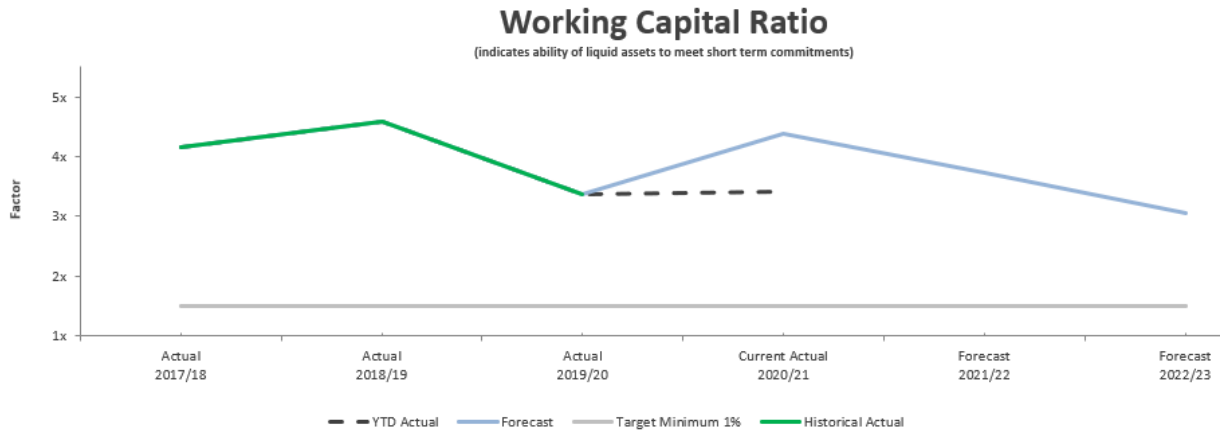
<b>Operating Surplus Ratio</b>				
<b>CURRENT YTD</b>	<b>PRIOR YTD</b>	<b>BUDGET</b>	<b>BUDGET AMENDMENT</b>	<b>TARGET</b>
<b>(8.57%)</b>	<b>(0.05%)</b>	<b>(2.29%)</b>	<b>(13.94%)</b>	<b>0 - 15%</b>



## Working Capital Ratio

The working capital ratio shows the ability of Councils current assets, to cover the commitments of its current liabilities. Council has a healthy cash balance, keeping this ratio in excess of the target minimum.

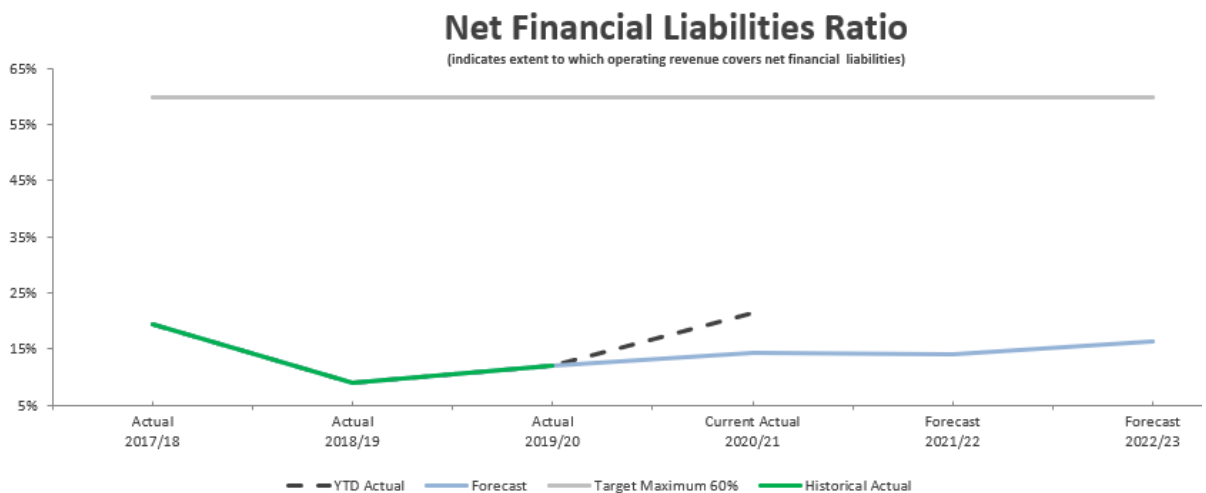
<b>Working Capital Ratio</b>				
<b>CURRENT YTD</b>	<b>PRIOR YTD</b>	<b>BUDGET</b>	<b>BUDGET AMENDMENT</b>	<b>TARGET</b>
<b>2.91x</b>	<b>5.09x</b>	<b>4.41x</b>	<b>3.89x</b>	<b>Greater than 1:1</b>



## Net Financial Liabilities Ratio

The ratio shows the extent to which operating revenue covers net financial liabilities. Operating revenue is similar from year to year, however current assets (namely cash and receivables) are lower than this time last year.

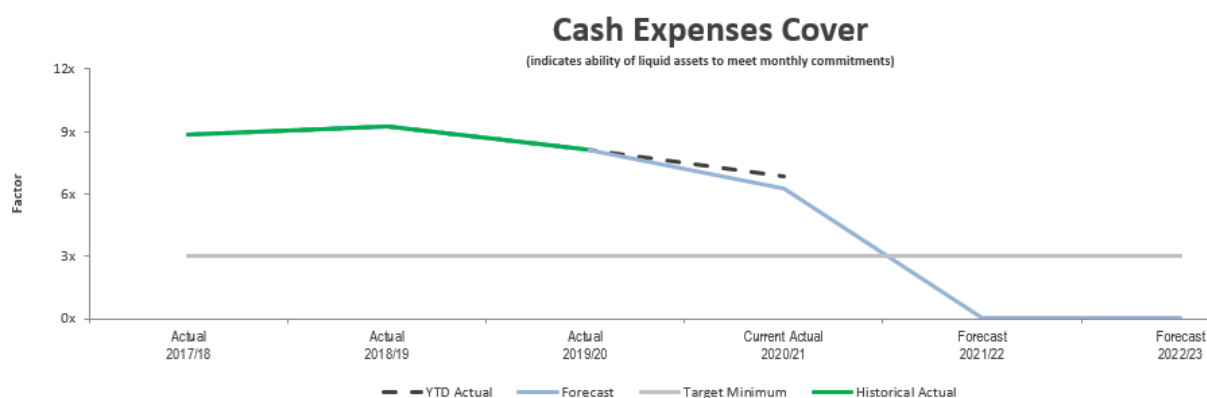
<b>Net Financial Liabilities Ratio</b>				
<b>CURRENT YTD</b>	<b>PRIOR YTD</b>	<b>BUDGET</b>	<b>BUDGET AMENDMENT</b>	<b>TARGET</b>
<b>21.60%</b>	<b>3.52%</b>	<b>3.45%</b>	<b>14.48%</b>	<b>&lt; 60%</b>



## Cash Expenses Cover Ratio

This ratio indicates the number of months that Councils cash balance could cover its monthly cash expenses. The current result reflects a continuing strong cash position proportional to operating costs. This result is well above the target ratio.

Cash Expenses Cover Ratio				
CURRENT YTD	PRIOR YTD	BUDGET	BUDGET AMENDMENT	TARGET
6.82x	9.35x	7.69x	6.27x	> 3x



### Options, Risk and Opportunity Analysis:

Nil.

### Communication and Consultation:

The report seeks specialist input regarding budget from Systems Modelling and Metrics Specialist and Cost Analyst. Capital expenditure commentary is provided through Manager Works Planning and Scheduling. Information relative to outstanding rates and prepaid rates is sought from Manager Revenue Services.

### Legal Strategy and Policy Implications:

Council is required to receive an update at least monthly relative to its financial position, *Section 204 Local Government Regulation 2012*.

### Financial and Resource Implications:

Nil.

### Summary:

Nil.

### Anticipated Resolution Completion Date:

20 July 2021

### Attachments:

1. Monthly Financial Statements for the period ending 28 June 2021
2. Operating Statements for month end June

### Tabled Items:

Nil.

**Report Prepared by:** Accountant

## **G/3.2. WATER ALLOCATIONS AND SEWERAGE CONNECTION CONCESSION POLICY**

**Responsible Officer:** General Manager Finance Governance and Risk

**General Meeting Date:** 20 July 2021

**File Ref:** CM28.2, FM6.1

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### **Purpose:**

This report seeks the adoption of a revised Water Allocations and Sewerage Connection Concessions Policy, applying to the 2021/2022 financial year.

### **Officer's Recommendation:**

That Council:

1. Repeal P-2020-08 Water Allocations and Sewerage Connection Concessions Policy;
2. Adopt P-2021-13 Water Allocations and Sewerage Connection Concessions Policy provided as Attachment 1 and apply to the 2021/2022 financial year; and
3. In accordance with section 119, 120, 121 and 122 of the *Local Government Regulation 2012* (Regulation) and the requirements of Council's Water Allocations and Sewerage Connection Concessions Policy, a concession for water availability, water consumption, and sewerage charges be granted to local sporting bodies and other not-for-profit community organisations who fit within the criteria requirements of section 120(1)(b) of the Regulation.

### **Background:**

Under section 120(1)(b) of the *Local Government Regulation 2012*, Council may grant a concession if it is satisfied that the land is owned by an entity whose objects do not include making a profit or an entity that provides assistance or encouragement for arts and culture development.

This policy recognises and provides assistance with the operational costs incurred by not-for-profit sporting clubs and other not-for-profit organisations whilst also encouraging the development and maintenance of publicly accessible sporting fields and recreational pursuits.

### **Consideration:**

Under the current policy, eligible sporting clubs and community organisations receive a concession on water availability (fixed cost component), water consumption, and sewerage charges.

It is the officer's recommendation that the concessions remain in line with the 2020/2021 financial year. In addition, a community garden has been established in Calliope and it is recommended that Council also make provision for assistance for community gardens. Other changes recommended include:

- Excluding the water consumption concession for those playing fields that have access to treated effluent water
- Amending the wording associated with the water availability charge concession to be more easily understood and to align with the wording in the Sewerage Charge concession
- Provide clarity in relation to the application of water consumption concession for 'playing fields' for golf courses

- A water consumption concession for Community Gardens
- A definition for public access and a delegation for the CEO to assess public access
- Additional definitions for the temporary liquor licenses (linked to the *Liquor Act 1992*) that not-for-profit clubs can access to ensure that they remain eligible for a concession under the policy

The proposed amendments are reflected in Attachment 2.

**Legal Environmental and Policy Implications:**

Section 120(1)(b) of the *Local Government Regulation 2012* provides Council with the ability to grant a concession for rates and charges if it is satisfied that the land is owned by an entity whose objects do not include making a profit or an entity that provides assistance or encouragement for arts and culture development.

**Financial and Resource Implications:**

Following are the concessions granted for the past two financial years.

Financial Year	Number of Assessments	Value of Concessions
2019/2020	48	\$679,977.39
2020/2021	57	\$692,425.97

It is anticipated that expenditure will be in line with the 2020/2021 financial year in 2021/2022.

**Attachments:**

1. Proposed P-2021-13 Water Allocations and Sewerage Connection Concessions Policy
2. Proposed P-2021-13 Water Allocations and Sewerage Connection Concessions Policy (Tracked Changes version)
3. Existing P-2020-08 Water Allocations and Sewerage Connection Concessions Policy.

**Tabled Items:**

Nil.

**Report Prepared by:** General Manager Finance Governance and Risk



### **G/3.3. MINUTES OF THE AUDIT AND RISK IMPROVEMENT COMMITTEE MEETING 16 JUNE 2021**

**Responsible Officer:** General Manager Finance Governance and Risk

**Council Meeting Date:** 20 July 2021

**File Ref:** CM26.2

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#### **Purpose:**

To present a report about the matters reviewed at the Audit Risk and Improvement Committee Meeting held on 16 June 2021, pursuant to section 211 of the *Local Government Regulation 2012*.

#### **Officer's Recommendation:**

That Council receive the Minutes of the Audit Risk and Improvement Committee meeting held on 16 June 2021.

#### **Background:**

Council's audit committee, the Audit Risk and Improvement Committee (ARIC), met on 16 June 2021.

In accordance with section 211(1)(c) the audit committee of Council must as soon as practicable after a meeting of the committee, give a written report about the matters reviewed at the meeting and the committee's recommendations about the matters.

The minutes of the Audit Risk and Improvement Committee meeting held on 16 June 2021 are attached for consideration.

#### **Options, Risk and Opportunity Analysis:**

Matters of significance reviewed at the meeting:

##### *Item 8 Reports for noting*

Reports provided to the committee for noting included updates on

- People Culture and Safety Statistics and Activities,
- An update on asset management activities including the status of Council's asset data and future data improvements
- Procurement KPIs for the quarter ended 30 April 2021
- Strategic ICT activities
- Claims for compensation following damages or loss received from third parties

The monthly financial reports for period ending 28 April 2021 were also included for noting.

##### *Item 7.1 Gladstone Airport Corporation Presentation*

The Gladstone Airport Corporation (GAC) Chairman, Chief Executive Officer and Finance Manager presented a report to the Committee noting that there has been improvement in travel confidence over the past months with flight numbers and schedules returning to pre-Covid conditions. However, it was noted further that passenger numbers have not increased as quickly as hoped but that numbers were still in line with budget estimations.

The Committee was advised that several capital projects were planned and underway and that GAC were successful in obtaining grant funding contributions to some of those projects.

Members enquired if GAC have considered revisiting/reviewing the GAC vision and mission with a view to aligning with Council's corporate plan and economic strategy with advice received that the vision and mission is reviewed annually through a strategy meeting and will include consideration of Council's corporate plan and economic strategy.

*Item 9.1 Ethics Integrity and Audit Progress Report*

Members noted the number of business improvement opportunities (agreed management actions) that were shown as being overdue, in particular those with a high risk rating and encouraged Council to address the overdue issues thus realising the benefit of the internal audit.

Members requested further information regarding the Payroll Audit Report and actions and raised concerns there may be opportunities for fraud with advice provided that officers are outworking the opportunities identified and noted that although there were no specific findings or direct concerns regarding fraud, investigations are continuing into further improvement in this area. Members provided advice that the action identifies a need for a better system of metrics that could identify fraud and without that there may be a false sense of security and noted that progress updates will be followed up.

*Item 10.1 Interim Management Letter and Report*

The findings of the Queensland Audit Office interim audit were presented to the Committee. Members sought clarification from officers regarding the matters raised in the report and noted that the matters were being addressed.

**Communication and Consultation:**

The minutes of the committee are reviewed by the ARIC members, the Manager Governance, Ethics Integrity and Audit Specialist, General Manager Finance Governance and Risk and the Chief Executive Officer.

**Legal Strategy and Policy Implications:**

The *Local Government Act 2009* requires that the audit committee of Council - the Audit Risk and Improvement Committee – oversee audit, annual financial reporting and other relevant governance functions to provide Council with an additional level of assurance that systems and controls are in place to minimize risk exposure.

The Audit Risk and Improvement Committee also operations in accordance with Councils' Audit Risk and Improvement Committee Policy P-2020-15.

**Financial and Resource Implications:**

The Audit Risk and Improvement Committee's external member fees are provided for within the annual operational budget.

**Summary:**

Nil

**Anticipated Resolution Completion Date:**

N/A - information only report.

**Attachments:**

1. Audit Risk and Improvement Committee Minutes 16 June 2021

**Tabled Items:**

Nil.

**Report Prepared by:** Ethics Integrity and Audit Specialist

## **G/3.4. TENDER RPQS 205-21 CONSULTANCY SERVICES (ENGINEERING)**

**Responsible Officer:** General Manager Operations

**Council Meeting Date:** 20 July 2021

**File Ref:** PE1.1

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### **Purpose:**

This report seeks resolution from Council to enter into service provider agreements for the provision of Consultancy Services (Engineering) under a Register of Pre-Qualified Suppliers.

### **Officer's Recommendation:**

That Council:

1. Endorse the Tender Evaluation Panel's recommendation and appoint the following (75) service providers on RPQS 205-21 Consultancy Services (Engineering):
  - 4T Consultants Pty Ltd
  - AECOM Australia Pty Ltd
  - Alliance Automation Pty Ltd
  - Alluvium Consulting Australia Pty Ltd
  - Aquatec Maxcon Pty Ltd
  - ARRB Group Ltd
  - Atom Consulting (Paradigm Digital Pty Ltd trading as)
  - Barlow Shelley Consulting Engineers (Aust) Pty Ltd
  - Bitzios Consulting Pty Ltd ATF The Bitzios Family Trust T/A Bitzios Consulting
  - BSE (QLD) Pty Ltd
  - Burchills Engineering Solutions (Coote Burchills Engineering Pty Ltd TA)
  - Butler Partners (Regional) Pty Ltd
  - Byrne Consultants (Byrne SEQ Pty Ltd trading as)
  - Cardno (QLD) Pty Ltd
  - City Water Technology Pty Ltd
  - CIVILSTORM Pty Ltd
  - CMW Geosciences (East Coast) Pty Ltd
  - Construction Sciences Pty Ltd
  - Cox Architecture Pty Ltd
  - CPSQS Consulting Pty Ltd
  - CQG Consulting (CQ Environmental Pty Ltd trading as)
  - Currie & Brown (Australia) Pty Ltd
  - Douglas Partners Pty Ltd
  - ECS - Estimating and Constructions Services Pty Ltd
  - Engeny Management Pty Ltd as trustee for Engeny M Trust
  - Fahrenheit Global
  - Future-Proof Solutions Pty Ltd
  - GANDEN Pty Ltd trading as GANDEN Engineers and Project Managers
  - GHD Pty Ltd
  - Gladstone Drafting (A.S. Buenen Pty Limited Trading as)
  - GPA Engineering Pty Ltd (GPA Unit Trust, trading as)
  - GRC Quantity Surveyors (Gray Robinson & Cottrell Pty Ltd ATF The GRC Unit Trust trading as)
  - GreenTec Pty Ltd

- Harrison Infrastructure Group Pty Ltd
- Hartecs Group Pty Ltd
- Hunter H2O Holdings Pty Ltd
- Jamenna Pty Ltd ATF The Christensen Family Trust
- James Cubitt Architects Pty Ltd
- JFP Urban Consultants Pty Ltd
- JJ Ryan Consulting Pty Ltd
- KPMG
- Kramer Ausneco (Pacific) Pty Ltd
- Lehr Consultants International (Australia) Pty Ltd
- MBMpl Pty Ltd
- McMurtrie Consulting Engineers Pty Ltd
- MODE DESIGN Corp. Pty Ltd
- Moloney & Sons Engineering (Moloney Solutions P/L ATF Moloney & Sons Trust TA)
- MPA Engineering Pty Ltd
- Northern Consulting Engineers (Milton Messer & Associates trading as)
- Northern Water Management Pty Ltd
- Parasyn (Parasyn Controls Pty Ltd Trading as)
- Pavement Management Services Pty Ltd
- Pitt & Sherry (Operations) Pty Ltd
- Premise Australia Pty Ltd
- Prizm Engineering Pty Ltd
- Projex Partners Pty Ltd
- PSA Consulting (Australia) Pty Ltd
- Reel Planning Pty Ltd
- Ricraay Trust as trustee for Accurate Estimating Services Pty Ltd trading as Accurate Estimating Services
- Rough Plan (Jennifer Roughan trading as)
- Shepherd Services Pty Ltd
- SLR Consulting Australia Pty Ltd
- St. George Project Services
- Stabilised Pavements of Australia Pty Ltd
- Stantec Australia Pty Ltd
- The Trustee for AIE Engineering and Construction Management Pty Ltd Unit Trust
- Trinity Consultants Australia Pty Ltd trading as Vision Environment ANZ (VE) ; Trinity Consultants Australia Pty Ltd trading as ASK Consulting Engineers (ASK)
- Turner and Townsend Pty Ltd
- Vabasis Pty Ltd
- Water Technology Pty Ltd
- Wave International Pty Ltd
- Welcon Technologies Pty Ltd
- Witthoft Engineering Pty Ltd
- WSP Australia Pty Ltd
- ZAMR Engineering Pty Ltd

2. Authorise the Chief Executive Officer to enter into service provider agreements for an initial term of three (3) years, with the option to extend the arrangements for two (2) further periods of one-year each at Council's discretion with the above service providers.

## Background:

Council seeks to establish a Register of Prequalified Suppliers (RPQS) to provide a diverse range of Engineering consulting services. The services performed will be supplementary to activities performed by Council's internal teams, and due to the fluctuating demand and specialised nature of these requirements, are not suitable to be fully insourced.

The types of services to be performed include:

- Expert advice;
- Condition assessments;
- Investigations;
- Design development;
- Prepare Construction and operational (whole of life) cost estimates;
- Designs, drawings, specifications;
- Construction support; and
- Operation and maintenance manual preparation.

Appointment to a Register of Pre-Qualified Suppliers ("RPQS") gives no guarantee or representation as to the volume or value of orders to be issued by Council, nor is Council limited to utilise only these Service Providers.

Council may refresh this contract at any time during the contract term by issuing a new Invitation to Tender based on the same evaluation criteria as this ITT, seeking offers from suppliers wishing to be added to the register.

## Options, Risk and Opportunity Analysis:

On 4 May 2021, Council released an Invitation to Tender ('ITT') to the open market via VendorPanel, in accordance with the tender process requirements set out in section 228 of the Local Government Regulation 2012.

The tender closed 25 May 2021 with 110 conforming offers received.

The offers were evaluated by panels of subject matter experts for each discipline as nominated by the service providers, and was evaluated based on the criteria disclosed in the ITT which included:

Objective Evaluation Criteria	Weighting
Quality Assurance	10%
Nominated past projects performed meet GRC's experience requirements	30%
Proposed Key Personnel have the qualifications and experience required by GRC	35%
Price	10%
Local Content	15%

The conforming offers were scored against the above evaluation criteria. Shortlisting of the offers occurred based on overall scores received in the level 1 evaluation, and those recommended for award are deemed by way of technical criteria scores detailed review in the level 2 evaluation, to meet or exceed Council's requirements in relation to quality, past projects and key personnel.

The tender evaluation panel recommends appointment of the 75 service providers to this RPQS, on the basis of anticipated service requirements and presentation of the best overall value offers to Council.

The award of contracts to the recommended service providers, is subject to the successful negotiation of departures. Contracts will not be awarded to service providers that Council is unable to reach agreement with.

**Communication and Consultation:**

Nil.

**Legal Strategy and Policy Implications:**

Council sought offers via LG Tenderbox in accordance with the Local Government Regulation 2012, Local Government Act 2009 and Council's Procurement Policy P-2018-12.

Council's endorsement of this tender award is in accordance with the Register of Delegations - Exercise of Statutory Powers and Financial Delegation Register.

The Officer's recommendation is based on the evaluation methodology and criteria in the ITT. There are risks associated with Council awarding a contract contrary to the officer's recommendation.

If Council is not satisfied with the evaluation methodology and criteria or the application thereof, Council may refer the matter back to officers for re-evaluation.

In the interests of probity, an amendment to the evaluation methodology and/or criteria may require referral back to tenderers so that they can each have the opportunity to make any changes to their offers having regard to the amended criteria prior to re-evaluation.

**Financial and Resource Implications:**

Appointment to an RPQS is based on a schedule of rates, it does not commit financial resources. Engagements with service providers under this arrangement will be exempt from tender or quote requirements in accordance with s232 of the Local Government Regulation 2012, however will be subject to the Sound Contracting Principles and Register of Delegations - Exercise of Statutory Powers and Financial Delegation Register.

**Summary:**

The offers from the 75 service providers recommended for award presents the best value to Council and will meet Council's anticipated demand for this service.

**Anticipated Resolution Completion Date:**

The contracts will be awarded in August 2021, subject to successful negotiation of contractual departures with the recommended service providers.

**Attachments:**

1. CONFIDENTIAL RPQS 205-21 Offer Evaluation Report

**Tabled Items:**

Nil.

**Report Prepared by:** Manager Contracts and Procurement



## **G/3.5. TENDER RPQS 202-21 CONSULTANCY SERVICES (PROJECT MANAGEMENT)**

**Responsible Officer:** General Manager Operations

**Council Meeting Date:** 20 July 2021

**File Ref:** PE1.1

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### **Purpose:**

This report seeks resolution from Council to enter into service provider agreements for the provision of Consultancy Services (Project Management) under a Register of Pre-Qualified Suppliers.

### **Officer's Recommendation:**

That Council:

1. Endorse the Tender Evaluation Panel's recommendation and appoint the following (15) service providers on RPQS 202-21 Consultancy Services (Project Management):
  - AECOM Australia Pty Ltd
  - Airport Consultancy Group Pty Ltd- Engineering
  - Axiom Project Services Pty Ltd
  - Complete Urban Pty Ltd
  - GHD Pty Ltd
  - Hartecs Group Pty Ltd
  - HNK Project Management Pty Ltd
  - Jeffries Project Services Pty Ltd
  - Jeld Industries Pty Ltd
  - McMurtrie Consulting Engineers Pty Ltd
  - Orion Project Consulting Pty Ltd
  - Premise Australia Pty Ltd
  - Prizm Engineering Pty Ltd
  - Stantec Australia Pty Ltd
  - Tetra Tech Coffey Pty Ltd
  
2. Authorise the Chief Executive Officer to enter into service provider agreements for a term of three (3) years with the above service providers.

### **Background:**

Council's capital portfolio includes multidisciplinary projects across its various asset streams (water, sewerage, parks, roads, waste, facilities, fleet). Council's financial year capital budget is typically in excess of \$60M and is comprised of projects at various phases of the delivery lifecycle. This panel will allow Council to access suitably qualified resources (both Project Managers and Construction Leads) to supplement its own internal project management resourcing levels as the portfolio workload demands.

Appointment to a Register of Pre-Qualified Suppliers ("RPQS") gives no guarantee or representation as to the volume or value of orders to be issued by Council, nor is Council limited to utilise only these Service Providers.

Council may refresh this contract at any time during the contract term by issuing a new Invitation to Tender based on the same evaluation criteria as this ITT, seeking offers from suppliers wishing to be added to the register.

### **Options, Risk and Opportunity Analysis:**

On 8 May 2021, Council released an Invitation to Tender ('ITT') to the open market via VendorPanel, in accordance with the tender process requirements set out in section 228 of the Local Government Regulation 2012.

The tender closed 8 June 2021 with 29 conforming offers received.

The offers were evaluated by panels of subject matter experts based on the criteria disclosed in the ITT which included:

<b>Objective Evaluation Criteria</b>	<b>Weighting</b>
Offer demonstrates understanding of the scope and GRC's requirements	20%
Nominated past projects performed meet GRC's experience requirements	25%
Proposed Key Personnel have the qualifications and experience required by GRC	25%
Price	15%
Geographical Location	15%

The conforming offers were scored against the above evaluation criteria. Shortlisting of the offers occurred based on overall scores received in the level 1 evaluation, and those recommended for award are deemed by way of technical criteria scores detailed review in the level 2 evaluation, to meet or exceed Council's requirements in relation to understanding of scope, past projects and key personnel.

The tender evaluation panel recommends appointment of the 15 service providers to this RPQS, on the basis of anticipated service requirements and presentation of the best overall value offers to Council.

The award of contracts to the recommended service providers, is subject to the successful negotiation of departures. Contracts will not be awarded to service providers that Council is unable to reach agreement with.

### **Communication and Consultation:**

Nil.

### **Legal Strategy and Policy Implications:**

Council sought offers via LG Tenderbox in accordance with the Local Government Regulation 2012, Local Government Act 2009 and Council's Procurement Policy P-2018-12.

Council's endorsement of this tender award is in accordance with the Register of Delegations - Exercise of Statutory Powers and Financial Delegation Register.

The Officer's recommendation is based on the evaluation methodology and criteria in the ITT. There are risks associated with Council awarding a contract contrary to the officer's recommendation.

If Council is not satisfied with the evaluation methodology and criteria or the application thereof, Council may refer the matter back to officers for re-evaluation.

In the interests of probity, an amendment to the evaluation methodology and/or criteria may require referral back to tenderers so that they can each have the opportunity to make any changes to their offers having regard to the amended criteria prior to re-evaluation.

**Financial and Resource Implications:**

Appointment to an RQOS is based on a schedule of rates, it does not commit financial resources. Engagements with service providers under this arrangement will be exempt from tender or quote requirements in accordance with s232 of the Local Government Regulation 2012, however will be subject to the Sound Contracting Principles and Register of Delegations - Exercise of Statutory Powers and Financial Delegation Register.

**Summary:**

The offers from the 15 service providers recommended for award presents the best value to Council and will meet Council's anticipated demand for this service.

**Anticipated Resolution Completion Date:**

The contracts will be awarded in August 2021, subject to successful negotiation of contractual departures with the recommended service providers.

**Attachments:**

1. CONFIDENTIAL RQOS 202-21 Offer Evaluation Report

**Tabled Items:**

Nil.

**Report Prepared by:** Manager Contracts and Procurement

## **G/4. DEPUTATIONS**

Nil.

## **G/5. COUNCILLORS REPORT**

### **G/5.1. INLAND RAIL CONFERENCE**

**Responsible Officer:** Chief Executive Officer

**Council Meeting Date:** 20 July 2021

**File Ref:** CM6.1 or CM7.1

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#### **Purpose:**

Councillor Glenn Churchill and Economic Development Specialist Garry Scanlan to provide a report on attendance at the Inland Rail Conference – Albury, NSW: 25-27 May 2021.

#### **Councillor's Recommendation:**

That Council receive the report from Councillor Glenn Churchill and Economic Development Specialist.

#### **Conference Summary:**

The Australasian Railway Association (ARA) and Australian Logistics Council (ALC) hosted the third annual Inland Rail Conference in Albury NSW - Wodonga, VIC from Tuesday 25 - Thursday 27 May 2021 after being postponed from the previous year due to COVID restrictions.

The 2021 Inland Rail Conference theme was *Connecting Region and Building Australia* (program Attached). The Conference explored how the Inland Rail project is a nationally significant infrastructure rail line and is transforming the movement of freight in Australia.

The event was attended by more than 400 rail industry and supply chain leaders, operators, customers, ports representatives and regional community leaders (*attendee list attached*).

The focus was on what this project means for the freight industry and the benefits it will deliver for national freight customers and how Inland Rail plays its part in boosting the economy and future-proofing Australia's supply chain, rather than focusing on the widely publicised projected cost overruns and delays to the project.

As well as the Gladstone Region representatives at the conference the Mayor of Banana Shire, Cr Nev Ferrier attended and added to the regional representation at the Conference. Cr Ferrier is also a member of the CQ Inland Rail Advocacy Group and a staunch advocate for the extension of the project to the Port of Gladstone.

The CQ representatives attended all events and both full days of the conference. Whilst attending the conference and events the CQ Representatives handed out *Making the right Connection – The Case to Connect Inland Rail to Gladstone* collateral (Attached) at every opportunity.

In his update the retiring CEO of Inland Rail, Richard Wankmuller highlighted the project has already generated over 21,500 jobs and invested \$18B in GDP. The freight breakdown forecast for the Inland Rail was 66% domestic, 25% Bulk goods and 9% Agriculture. This is all identified as Capital to Capital freight and didn't identify possible international land bridging cargo which is the main value proposition of the Inland Rail extension to the Port of Gladstone. He went on to discuss the project process for the Inland Rail to descend the Toowoomba Range and connect to Brisbane, indicating the project was targeting late 2021 to have identified a preferred consortium to build this section. Interestingly he indicated that Inland Rail were reviewing the options for 3 or 4 Brisbane Intermodal Terminals to connect to intermodal terminals in Melbourne, not direct Port to Port connectivity.

Paul Scurrah, MD & CEO Pacific National (PN) Rail presented on the Inland Rail further decentralising the Australian freight task. For the “foreseeable future” the PN northern terminus would be at Acacia Ridge but they were developing a large-scale intermodal terminal in the Toowoomba region. Mainly with the intent of achieving the desired 24-hour Brisbane to Melbourne transit, improving on the current 36 hours. A number of speakers that followed representing freight and logistics companies/organisations also identified options/preferences for satellite intermodal facilities in outer Brisbane or Toowoomba rather than linking to the Port of Brisbane in order to achieve the targeted 24-hour transit Brisbane to Melbourne. It was generally acknowledged that taking trains into Acacia Ridge and/or the Port of Brisbane encountered congestion and added significant hours to the current transit time. This restriction identified by key stakeholders operating in the Southern Queensland rail corridor supports the CQ Inland Rail Advocacy Group position that a connection to the Port of Brisbane is inefficient and uneconomical.

Key sideline discussions were held with the Chair – National Freight and Supply Chain Strategy, ARTC/Inland Rail Officers, Australian Logistics Council, Roads Australia CEO, SCT Logistics and other suppliers and service providers. Cr Churchill also secured an independent meeting with Warren Truss, Chair of ARTC/Inland Rail to reinforce the case for the extension of the Inland Rail to the Port of Gladstone. Again, all discussions were positive without being directly supportive with all highlighting that the current proposed rail corridor alignment from the Qld border to Brisbane is to be agreed and approved between the Qld and Australian Governments. Any change to the funding instrument for the project is the responsibility of the Australian Government and ARTC. There is currently no intention to review the project intent to have the northern terminus in Brisbane.

#### Key Learnings:

Whilst one of the main drivers for attending the conference was to learn more about the current project and the benefits of this major infrastructure project to regional economies along the corridor. It was also a prime opportunity to meet the key stakeholders of the project including Government, Industry and service providers as well as continue the strong advocacy program for the project to be connected to the Port of Gladstone. The CQ Inland Rail Advocacy Group on the back of the findings of the AEC Economic Business Case Review of the Inland Rail extension to the Port of Gladstone has been engaging extensively with a wide range of Government and Industry stakeholders to forcefully advocate the merits and national benefits of the proposed extension. Whilst networking at the event it became very clear quickly the reach, benefit and impact of that advocacy program. Almost without exception stakeholders engaged knew of and acknowledged our advocacy efforts and were interested to discuss the proposal and understand more about the proposed extension to the Port of Gladstone. Whilst not openly supporting or endorsing the proposed extension project the stakeholders engaged were interested to monitor and receive updates as the extension project continued to gain momentum. In particular any possible political change in terms of a change to the current project model or private sector investment in an altered alignment to Gladstone.

Attendance and learnings from the conference validate the Council investment in the CQ Inland Rail Advocacy Group. The investment and subsequent advocacy are focusing key stakeholders on the benefits of extending the Inland Rail project to the Port of Gladstone. There is wide acknowledgement of the advocacy program and significant traction towards proving the project. CQ regional advocates should continue to capitalise on the momentum generated to date to secure this important project for the CQ Region. Council must continue to use every opportunity to support the ongoing advocacy program. Council insistence that the Rural and Regional Affairs and Transport References Committee hold the final public hearing in Gladstone on the 8<sup>th</sup> June 2021 for the inquiry into the management of the inland rail project by the ARTC and Commonwealth Government was a significant acknowledgement of the advocacy work to Date. Councils appearance and submission at the Committee hearings in Gladstone was informed in part by attendance at the Inland Rail Conference and contributed to a persuasive and strong submission. Council will continue to advocate and plan for an Inland Rail Forum to be held in Gladstone to reinforce the natural advantages that a Central Queensland terminus in the Port of Gladstone provides.

Financials:

Registration Cost	\$1,020.00
Travel / Accommodation Cost	\$1,106.00
Sundries / Other	\$65.00
Total	\$2,191.00

Further expenses due to COVID:

Travel / Accommodation Cost	\$1,485.00
Sundries / Other	\$678.24
Total	\$2,163.00

**Attachments:**

1. Inland Rail Conference 2021 Program
2. Inland Rail Conference 2021 – Registered Attendee List
3. Making the Right Connection – The Case to Connect Inland Rail to Gladstone

**Tabled Items:**

Nil.

**Report Prepared by:** Cr Glenn Churchill and Economic Development Specialist

**G/6. URGENT BUSINESS**

Nil.



## **G/7. NOTICE OF MOTION**

### **G/7.1. SUPPORTING THE ULURU STATEMENT FROM THE HEART**

**Notice of Motion - Council Meeting Date:** 20 July 2021

#### **Councillor's Recommendation:**

That the Gladstone Regional Council continues to demonstrate strong leadership in support of Aboriginal people and Torres Strait Islander people by undertaking a range of actions such as:

1. Supporting the Uluru Statement from the Heart which calls on the Australian people to walk with First Nations in a people's movement for Voice, Treaty, Truth;
2. By endorsing the Uluru Statement and sharing this support by publicly displaying the Uluru Statement and displaying posters and other material in prominent locations throughout the Gladstone Region;
3. Registering Council's support for the Uluru Statement from the Heart on the website <https://www.1voiceuluru.org> ;
4. Writing to the current Prime Minister, the Federal Leader of the Opposition and local known candidates in the next federal election for the Flynn electorate to express Gladstone Regional Council's support for the Constitutional Recognition for Aboriginal people and Torres Strait Islander people and the key principles of the 'Uluru Statement from the Heart' and encouraging action to establish a First Nations Voice to Parliament protected by the Constitution and a Makarrata Commission to supervise agreement-making (treaty) and truth-telling.

#### **Background:**

I acknowledge the leadership of this Council led by current Mayor Matt Burnett in the establishment of the first Gladstone Regional Council Reconciliation Action Plan in 2018. Our Council being one of the first Councils in Queensland to do so. This great achievement was not the first; it did follow another milestone in our Region, which saw the flying of the Aboriginal and Torres Strait Islander flags outside our chambers in 2016.

At the 2019 Local Government Association of Queensland (LGAQ) Annual Conference, Councils unanimously supported that the LGAQ write to the Australian Local Government Association (ALGA) affirming the support of Queensland Councils to the values of the Uluru Statement from the Heart.

Recently, in June 2021, at the ALGA National Assembly, all Councils present unanimously voted to support the Uluru Statement from the Heart.

The Uluru Statement and its call for Voice, Treaty, Truth will provide the mechanism to build a relationship between First Nations and the people of Australia towards one based on fairness, truth, justice and self-determination.

The Uluru Statement is a call to recognise Aboriginal people and Torres Strait Islander people's unique place in the nation's history, stretching back tens of thousands of years.

In continuing with the leadership shown by this Council since 2016, I ask you that you now consider this motion positively in the spirit of reconciliation and the knowledge that this important step on the path to true recognition of Aboriginal people and Torres Strait Islander people through a constitutionally protected Voice to Parliament is what this Region and Nation need.

**Notice of Motion Prepared by:** Councillor Muszkat

## **G/8. CONFIDENTIAL ITEMS**

### **G/8.1. OUT-OF-POLICY WATER LEAK CONCESSION REQUEST – LOT 14 SP 210496**

**Responsible Officer:** General Manager Finance Governance and Risk

**Council Meeting Date:** 20 July 2021

**File Ref:** RV4.4, RV4.5

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#### **Reason for Confidentiality:**

This report is **CONFIDENTIAL** in accordance with Section 254J of the *Local Government Regulation 2012*, the meeting is to be closed to the public to discuss business relating to the following: -

(d) rating concessions.

## ATTACHMENTS